

eGalax_eMPIA Technology Inc. and SUBSIDIARIES
CONSOLIDATED BALANCE SHEET
As of June 30, 2016, December 31, 2015 and June 30, 2015
(In Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

	June 30,2016		December 31,2015		June 30,2015			June 30,2016		December 31,2015		June 30,2015	
	Amount	%	Amount	%	Amount	%		Amount	%	Amount	%	Amount	%
Assets													
Current assets :							Liabilities and equity						
Cash and cash equivalents	\$ 874,729	53	812,644	53	950,501	56	Current liabilities :						
Current financial assets at fair value through profit or loss	244,382	15	254,179	17	194,767	12	Current financial liabilities at fair value through profit or loss	\$ -	-	373	-	122	-
Current held-to-maturity financial assets, net	50,000	3	100,000	7	50,000	3	Notes payable	322	-	418	-	1,330	-
Notes receivable, net	1,250	-	1,648	-	2,519	-	Accounts payable	191,400	12	65,977	5	80,650	5
Accounts receivable, net	134,943	8	111,709	7	117,964	7	Dividends payable	203,434	12	-	-	229,537	14
Accounts receivable due from related parties, net	24,708	1	19,642	1	17,708	1	Other payables	132,202	8	137,026	9	147,700	9
Other receivables	1,060	-	1,779	-	1,850	-	Current tax liabilities	17,421	1	16,656	1	17,211	1
Inventories	264,246	16	141,921	9	145,567	9	Current provisions for employee benefits	3,995	-	3,630	-	3,445	-
Prepayments	20,837	1	11,894	1	11,561	1	Bonds payable, current portion	-	-	89,717	6	89,607	5
Other current financial assets	1,109	-	1,109	-	1,096	-	Other current liabilities	6,772	-	4,104	-	6,914	-
Total current assets	1,617,264	97	1,456,525	95	1,493,533	89	Total current liabilities	555,546	33	317,901	21	576,516	34
Non-current assets :							Non-current liabilities :						
Non-current financial assets at fair value through profit or loss	10,025	1	40,032	3	98,829	6	Deferred tax liabilities	-	-	583	-	180	-
Non-current held-to-maturity financial assets, net	-	-	-	-	50,000	3	Net defined benefit liabilities	1,488	-	1,735	-	-	-
Non-current financial assets at cost, net	2,400	-	-	-	-	-	Total non-current liabilities	1,488	-	2,318	-	180	-
Property, plant and equipment	4,842	-	4,922	-	4,316	-	Total liabilities	557,034	33	320,219	21	576,696	34
Intangible assets	5	-	5	-	715	-	Equity attributable to owners of parent :						
Deferred tax assets	15,652	1	9,351	1	9,732	1	Ordinary share	549,821	33	549,821	36	533,807	32
Guarantee deposits paid	4,887	-	5,283	-	4,553	-	Stock dividend to be distributed	21,993	2	-	-	16,014	1
Net defined benefit assets	-	-	-	-	79	-	Capital surplus :	571,814	35	549,821	36	549,821	33
Other non-current assets, others	10,633	1	10,989	1	20,864	1	Capital surplus, additional paid-in capital arising from ordinary share	126,605	8	148,598	10	148,598	9
Total non-current assets	48,444	3	70,582	5	189,088	11	Capital surplus, net assets from merger	39,842	2	39,842	3	39,842	2
							Capital surplus, share options	-	-	514	-	514	-
							Capital surplus, others	514	-	-	-	-	-
								166,961	10	188,954	13	188,954	11
							Retained earnings :						
							Legal reserve	189,429	11	166,869	11	166,869	10
							Special reserve	-	-	-	-	-	-
							Unappropriated retained earnings (accumulated deficit)	114,531	7	235,136	15	135,750	8
								303,960	18	402,005	26	302,619	18
							Other equity interest :						
							Exchange differences on translation of foreign operations	1,052	-	1,334	-	257	-
							Total equity attributable to owners of parent	1,043,787	63	1,142,114	75	1,041,651	62
							Non-controlling interests	64,887	4	64,774	4	64,274	4
							Total equity	1,108,674	67	1,206,888	79	1,105,925	66
Total Assets	\$ 1,665,708	100	1,527,107	100	1,682,621	100	Total liabilities and equity	\$ 1,665,708	100	1,527,107	100	1,682,621	100

eGalax_eMPIA Technology Inc. and SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the three months ended June 30, 2016 and 2015
For the six months ended June 30, 2016 and 2015
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)
(Reviewed, Not Audited)

	For The Three Months Ended June 30				For The Six Months Ended June 30			
	2016		2015		2016		2015	
	Amount	%	Amount	%	Amount	%	Amount	%
Sales revenue	\$ 312,236	101	301,190	100	597,195	101	529,000	100
Less : Sales returns	150	-	-	-	255	-	1,819	-
Sales discounts and allowances	2,660	1	29	-	4,112	1	59	-
Operating revenue	309,426	100	301,161	100	592,828	100	527,122	100
Cost of sales	168,207	54	128,947	43	304,408	51	221,053	42
Gross profit (loss) from operations	141,219	46	172,214	57	288,420	49	306,069	58
Operating expenses								
Selling expenses	14,329	5	12,134	4	28,934	5	23,280	5
Administrative expenses	13,523	4	16,538	6	26,687	5	32,488	6
Research and development expenses	58,926	19	61,041	20	117,400	20	117,096	22
Total operating expenses	86,778	28	89,713	30	173,021	30	172,864	33
Net operating income (loss)	54,441	18	82,501	27	115,399	19	133,205	25
Non-operating income and expenses :								
Other income	1,995	1	3,020	1	4,924	1	6,483	1
Other gains and losses, net	662	-	(1,333)	-	(3,812)	-	(2,107)	-
Finance costs, net	-	-	(279)	-	(154)	-	(559)	-
Total non-operating income and expenses	2,657	1	1,408	1	958	1	3,817	1
Profit (loss) before tax	57,098	19	83,909	28	116,357	20	137,022	26
Less : Tax expense (income)	5,808	2	10,551	4	10,704	2	17,114	3
Profit (loss)	51,290	17	73,358	24	105,653	18	119,908	23
Other comprehensive income :								
Items that may be reclassified subsequently to profit or loss :								
Exchange differences on translation of foreign operations	56	-	(463)	-	(433)	-	(838)	-
Income tax related to items that may be reclassified subsequently	-	-	-	-	-	-	-	-
Items that may be reclassified subsequently to profit or loss	56	-	(463)	-	(433)	-	(838)	-
Other comprehensive income, net	56	-	(463)	-	(433)	-	(838)	-
Comprehensive income	\$ 51,346	17	72,895	24	105,220	18	119,070	23
Profit (loss), attributable to :								
Profit (loss), attributable to owners of parent	\$ 51,530	17	76,103	25	105,389	18	124,217	23
Profit (loss), attributable to non-controlling interests	(240)	-	(2,745)	(1)	264	-	(4,309)	-
	\$ 51,290	17	73,358	24	105,653	18	119,908	23
Comprehensive income attributable to :								
Comprehensive income, attributable to owners of parent	\$ 51,566	17	75,802	25	105,107	18	123,673	23
Comprehensive income, attributable to non-controlling interests	(220)	-	(2,907)	(1)	113	-	(4,603)	-
	\$ 51,346	17	72,895	24	105,220	18	119,070	23
Earnings per share(NT Dollars) :								
Basic earnings per share	\$ 0.90		1.33		1.84		2.17	
Diluted earnings per share	\$ 0.90		1.26		1.80		2.05	

eGalax_eMPIA Technology Inc. and SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDER EQUITY
For the six months ended June 30, 2016 and 2015
(In Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

	Equity attributable to owners of parent										
	Share capital			Retained earnings				Other equity interest		Non-controlling interests	Total equity
	Ordinary share	Stock dividend to be distributed	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings (accumulated deficit)	Exchange differences on translation of foreign operations	Total equity attributable to owners of parent			
Beginning balance, January 1, 2015	\$ 533,807	-	204,968	142,898	471	264,570	801	1,147,515	68,877		
Profit for current period	-	-	-	-	-	124,217	-	124,217	(4,309)	119,908	
Other comprehensive income for current period	-	-	-	-	-	-	(544)	(544)	(294)	(838)	
Total comprehensive income	-	-	-	-	-	124,217	(544)	123,673	(4,603)	119,070	
Appropriation and distribution of retained earnings :											
Legal reserve appropriated	-	-	-	23,971	-	(23,971)	-	-	-	-	
Cash dividends of ordinary share	-	-	-	-	-	(229,537)	-	(229,537)	-	(229,537)	
Reversal of special reserve	-	-	-	-	(471)	471	-	-	-	-	
Stock dividends from capital surplus	-	16,014	(16,014)	-	-	-	-	-	-	-	
Ending Balance, June 30, 2015	<u>\$ 533,807</u>	<u>16,014</u>	<u>188,954</u>	<u>166,869</u>	<u>-</u>	<u>135,750</u>	<u>257</u>	<u>1,041,651</u>	<u>64,274</u>	<u>1,105,925</u>	
Beginning balance, January 1, 2016	\$ 549,821	-	188,954	166,869	-	235,136	1,334	1,142,114	64,774	1,206,888	
Profit for current period	-	-	-	-	-	105,389	-	105,389	264	105,653	
Other comprehensive income for current period	-	-	-	-	-	-	(282)	(282)	(151)	(433)	
Total comprehensive income	-	-	-	-	-	105,389	(282)	105,107	113	105,220	
Appropriation and distribution of retained earnings :											
Legal reserve appropriated	-	-	-	22,560	-	(22,560)	-	-	-	-	
Cash dividends of ordinary share	-	-	-	-	-	(203,434)	-	(203,434)	-	(203,434)	
Stock dividends from capital surplus	-	21,993	(21,993)	-	-	-	-	-	-	-	
Ending Balance, June 30, 2016	<u>\$ 549,821</u>	<u>21,993</u>	<u>166,961</u>	<u>189,429</u>	<u>-</u>	<u>114,531</u>	<u>1,052</u>	<u>1,043,787</u>	<u>64,887</u>	<u>1,108,674</u>	

eGalax_eMPIA Technology Inc. and SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOW
For the six months ended June 30, 2016 and 2015
(In Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

	2016	2015
Cash flows from operating activities, indirect method :		
Profit (loss) before tax	\$ 116,357	\$ 137,022
Adjustments :		
Adjustments to reconcile profit (loss) :		
Depreciation expense	1,442	1,432
Amortization expense	10,049	13,359
Provision (reversal of provision) for bad debt expense	(26)	(109)
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	(371)	(556)
Interest expense	154	559
Interest income	(3,949)	(4,456)
Loss (gain) on disposal of investments	-	(50)
Loss (gain) on bond redemption	(113)	-
Total adjustments to reconcile profit (loss)	<u>7,186</u>	<u>10,179</u>
Changes in operating assets and liabilities :		
Changes in operating assets :		
Decrease (increase) in financial assets held for trading	40,175	(8,648)
Decrease (increase) in notes receivable	398	(1,384)
Decrease (increase) in accounts receivable	(23,217)	(27,935)
Decrease (increase) in accounts receivable due from related parties	(5,066)	10,583
Decrease (increase) in other receivable	524	791
Decrease (increase) in inventories	(122,325)	35,740
Decrease (increase) in prepayments	(8,943)	(2,572)
Decrease (increase) in other operating assets	-	(79)
Total changes in operating assets	<u>(118,454)</u>	<u>6,496</u>
Changes in operating liabilities :		
Increase (decrease) in notes payable	(96)	1,289
Increase (decrease) in accounts payable	125,423	8,204
Increase (decrease) in other payable	(6,739)	8,226
Increase (decrease) in provisions	365	349
Increase (decrease) in other current liabilities	2,668	(821)
Increase (decrease) in net defined benefit liabilities	(247)	(175)
Total changes in operating liabilities	<u>121,374</u>	<u>17,072</u>
Total changes in operating assets and liabilities	<u>2,920</u>	<u>23,568</u>
Total adjustments	<u>10,106</u>	<u>33,747</u>
Cash inflow (outflow) generated from operations	126,463	170,769
Interest received	4,153	4,527
Income taxes refund (paid)	(16,823)	(7,593)
Net cash flows from operating activities	<u>113,793</u>	<u>167,703</u>
Cash flows from investing activities :		
Proceeds from repayments of held-to-maturity financial assets	50,000	-
Acquisition of financial assets at cost	(2,400)	-
Acquisition of property, plant and equipment	(1,385)	(1,679)
Decrease (Increase) in refundable deposits	396	80
Increase in other non-current assets	(7,765)	(9,937)
Net cash flows from investing activities	<u>38,846</u>	<u>(11,536)</u>
Cash flows from financing activities		
Repayments of bonds	(90,131)	-
Net cash flows from financing activities	<u>(90,131)</u>	<u>-</u>
Effect of exchange rate changes on cash and cash equivalents	<u>(423)</u>	<u>(748)</u>
Net increase (decrease) in cash and cash equivalents	62,085	155,419
Cash and cash equivalents at beginning of period	812,644	795,082
Cash and cash equivalents at end of period	<u>\$ 874,729</u>	<u>\$ 950,501</u>